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Livestock and Products

China Suspends Live Chicken Exports to Hong Kong for 3 Weeks

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Report Highlights:

Mainland China has suspended the supply of live chickens and pet birds from Guangdong to Hong Kong for three weeks after confirmation of a fatal human infection of bird flu in Guangzhou. (Guangzhou is a city located in the Guangdong province, which is adjacent to Hong Kong.) The infected person was believed to have contacted live chickens in the wet market. However, there was no outbreak of avian influenza cases in poultry reported in Guangdong province.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hong Kong [HK1]
[HK]

The Hong Kong government announced on March 5 that the supply of live poultry, day-old chicks and pet birds from the Guangdong Province will be suspended with immediate effect for three weeks following the confirmation of a human infection of H5N1 avian influenza virus in Guangzhou. Guangzhou is a city in the Guangdong Province, which is adjacent to Hong Kong. All live poultry supplies from China to Hong Kong come from Guangdong. The trade suspension measures, therefore, will virtually halt entire live chicken supplies from China to Hong Kong. Chilled and frozen chicken supplies are not affected.

The Hong Kong government explained that the trade suspension decision was reached after discussion with the State General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). Although there was no avian influenza outbreak in Guangdong, the trade suspension was warranted so as to reduce public health risk by minimizing the contact between humans and live poultry and by preventing the accumulation of live poultry in the markets. Live poultry imports are suspended for three weeks so as to allow time for investigation.

The Hong Kong government spokesman announced that if it is confirmed that there are no additional human infection cases and that there is no outbreak of avian influenza in live poultry farms in Guangdong, the supply of live poultry and birds would be resumed.

According to a contingency plan in response to outbreaks of avian influenza in Hong Kong, the Hong Kong government will terminate all local live poultry trade on a compulsory basis in the event of two confirmed H5N1 cases in local poultry farms or in retail markets. All chickens will be culled. The Hong Kong government restated that the plan remained unchanged.

The current production of chickens in Hong Kong has amounted to approximately 60,000 head per day, with imports and local farms each supplying 30,000 head. There are about 120 chicken farms in Hong Kong with a chicken population of about 3 million. About 14 percent of chicken products consumed in Hong Kong came from live chickens while chilled and frozen chicken products constituted the rest.

Hong Kong imported about \$30 million worth of live chicken products (16 million head) from China in 2005. The 3-week suspension is estimated to cause approximately \$1.7 million loss in China's export sales to Hong Kong.

The import suspension is unlikely to have significant impact on local meat market. Chilled and frozen chicken products and local supplies of live chickens will be able to fulfill market needs, though prices of live chicken supplies are expected to rise. However, consumer confidence in live chicken consumption will probably be affected. The demand for live chickens is estimated to be sluggish for a while, depending on future development of AI.

Local supplies of live chickens are not affected in the meantime. However, local poultry farming relies on day-old chicks supplied from China. If the suspension continues over 3 weeks, local supplies of live chickens will then be also affected due to the shortage of day-old chicks.

Appendix A

Currently Hong Kong has imposed restrictions on imports of live poultry and poultry meat from the following countries where AI cases have been reported.

Country/Places	Date of Ban	Import Volume (Poultry)
Cambodia	January 23, 2004	Nil

Canada British Columbia	November 21, 2005	Negligible
Croatia	October 22, 2005	Nil
Democratic People's Republic of Korea	March 29, 2005	Nil
Indonesia	January 27, 2004	Nil
Japan Ibaraki Prefecture Saitama Prefecture	January 29, 2005 September 1, 2005	Nil Nil
Kazakhstan	August 17, 2005	Nil
Laos	January 27, 2004	Nil
People's Republic of China Anhui Province Guizhou Province Hubei Province Hunan Province Inner Mongolia Autonomous Region Jiangxi Province Liaoning Province Ningxia Autonomous Region Shanxi Province Sichuan Province Tibet Autonomous Region Yunnan Province Xinjiang Autonomous Region	July 6, 2004 Jan 10, 2006 Nov 12, 2005 Oct 25, 2005 Nov 21, 2005 Dec 15, 2005 Nov 4, 2005 Nov 22, 2005 Nov 19, 2005 Jan 4, 2006 Aug 11, 2005 Nov 22, 2005 Jun 8, 2005	All these provinces exported none or negligible amount of poultry meat to Hong Kong except Liaoning Province. Between January 1 to October 25, 2005, Hong Kong imported 13,000 MT of poultry meat from Liaoning Province or about 14% of China's import to Hong Kong. The estimated value was about \$18 million. None of these provinces exported live poultry to Hong Kong.
Romania	Oct 18, 2005	Nil
Russian Federation	July 30, 2005	Nil
Thailand	January 23, 2004	\$30 million (2003)
Turkey	Oct 15, 2005	\$12 million (2004)
Vietnam	Jan 13, 2004	Nil
France	February 24, 2006	\$20 million (2005)

Source: Hong Kong Census & Statistics Department
Hong Kong Food & Environmental Hygiene Department

Hong Kong allows the importation of cooked-processed poultry products from AI infected countries. However, import consignments have to be accompanied by health certificates stating that the products do not come from AI infected zones.